

Date: September 8, 2000

DSL-BQA-00-067

To: Hospitals
Home Health Agencies

Hospitals - 28
HH - 26

From: Otis Woods, Section Chief
Health Services Section

Via: Susan Schroeder, Director
Bureau of Quality Assurance

INFORMATION

Clarification on Non-applicability of Certain Provisions of the Discharge Planning Process to Medicare + Choice Plans

The Bureau of Quality Assurance (BQA) received the following clarification as Electronic Regional Program Letter #2000-25 from the federal Health Care Financing Administration, Division of Survey and Certification, Chicago Regional Office. **The enclosed letter explains the position of the federal Health Care Finance Administration on hospital discharge planning as it applies to home health referrals for patients who are enrolled in Medicare+ Choice managed care.**

Questions may be directed to Jane Walters, Supervisor, at (608) 267-7389, or to Juan Flores, Supervisor, (608) 261-7824.

HEALTH CARE FINANCING ADMINISTRATION
Chicago Regional Office, Midwest Consortium

Electronic Regional Program Letter #2000-25

DATE: September 1, 2000

FROM: HCFA, Chicago Regional Office
Division of Survey and Certification

SUBJECT: **Clarification on Non-applicability of Certain Provisions of the Discharge Planning Process to Medicare + Choice Plans - INFORMATION**

TO: State Survey Agency Directors

The purpose of this memorandum is to inform you of the statutory changes set forth by Section 521 of the BBRA of 1999, P.L. 106-113, which clarifies the non-discrimination in post-hospital referrals to home health agencies (HHAs) and other entities, as enacted by Section 4321(a) of the Balanced Budget Act (BBA) of 1997, an amendment of section 1861(ee) of the Social Security Act (the Act).

Section 521 of the BBRA clarifies post-hospital referrals for patients in Managed Care plans by specifying that hospitals are required to provide information to managed care patients on the availability of home health services or other post hospital services *only* to the extent that the individual providers or entities have a contract with the managed care organizations.

The amendment reads as follows:

(3) With respect to a discharge plan for an individual who is enrolled with a Medicare+Choice organization under a Medicare +Choice plan and is furnished inpatient hospital services by a hospital under a contract with the organization--

- (A) the discharge planning evaluation under paragraph (2)(D) is not required to include information on the availability of home health services through individuals and entities which do not have a contract with the organization; and*
- (B) notwithstanding subparagraph (H)(I), the plan may specify or limit the provider (or providers) of post-hospital home health services or other post-hospital services under the plan.*

This provision was effective upon enactment, meaning it applies to all discharges occurring on or after November 29, 1999.

This does not mean that Medicare managed care organization (MCO) members in particular are denied the freedom of choice to which they are entitled under section 1802 of the Act. Medicare beneficiaries exercise their freedom of choice when they voluntarily enroll in the MCO and agree to adhere to the plan provisions on coverage.

To alleviate confusion, hospitals can provide MCO patients with a list of available and accessible HHAs approved by the MCO. Another option is, when discussing discharge planning with patients, hospitals can determine whether the beneficiary has made any prior commitments through enrollment in a MCO. Where this is the case, the patient should be informed of the potential consequences of going outside the plan for services.

HCFA proposed changes to the hospital conditions of participation (CoPs) on December 19, 1997. The proposed rule included language to incorporate the BBA changes. Within the final hospital CoP, which HCFA expects to publish by the end of the year, HCFA will incorporate both the BBA and BBRA provisions regarding post-hospital referrals to home health agencies.

/s/
Charles Bennett
Branch Manager
Survey and Certification Program
Coordination and Improvement